

San Francisco Department of Public Health Division of Behavioral Health Services

Ordinances for PRC & Baker Places

San Francisco Health Commission
July 5, 2022

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PRC (Positive Resource Center) and Baker Places

PRC (formerly Positive Resource Center) provides emergency financial assistance, benefits advocacy, HIV outreach, and workforce development, and supports Baker Places administration.

Among other services, **Baker Places provides urgently needed residential detox services and other substance use and mental health treatment programs** under contract with the SF Department of Public Health (DPH)

- Critical component of behavioral and mental health services in San Francisco serving approximately 2,000 clients annually

Current Baker Places contracts with DPH are:

Program	Beds
Detox, Residential, Housing	144
Ferguson Place	12
Hummingbird General Hospital	29
Hummingbird Valencia	30
Subtotal, Baker Places	215

Financial Background

- 2017: Baker Places and PRC started merging (not yet complete)
 - PRC administers Baker Places under a Management Service Agreement
- July 2021: PRC informed DPH of deficit at Joe Healy Detox under Baker Places
 - October and November 2021: PRC disclosed additional financial issues
- Since December 2021: DPH has worked to increase funding and optimize Baker Places/PRC contracts
 - City Controller's Office hired consultant to perform financial analysis for Baker and PRC
 - Increased funding for Joe Healy; converted contracts from fee-for-service to full cost reimbursement; postponed repayment of audit settlements due to City
 - Included restructuring the Joe Healy Detox program model to better meet client needs.
- In May 2022, Baker Places/PRC reported that it would still be unable to meet fully its payroll, lease, and other obligations
- **In June 2022, analysis from Controller's Office confirmed an additional combined shortfall of approximately \$3,220,000**
 - Deficit at Baker Places of \$1,210,000
 - Deficit at PRC of \$2,010,000

Ordinances

- On June 14, 2022, DPH asked the Board of Supervisors to authorize DPH to award \$3.2M in **emergency funding** to preserve services for vulnerable patients.
- On June 28th, 2022, the Board of Supervisors **approved one-time, emergency grant agreements totaling \$1.25 million**
 - \$800K to PRC and \$450K to Baker Places
 - Funding from FY 21-22 contract savings.
 - Board approval of reduced amount based on minimal amount needed to meet payroll through July, 2022. Requested additional financial data and analysis prior to approving additional funds.
- These grant agreements:
 - Preserve mental health and substance use treatment services, including over **200 beds**
 - Allow Baker Places/PRC to meet payroll obligation through July, 2022
 - FY 22-23 contracts beginning July 1
 - Allow DPH to create and implement a **Corrective Action Plan**
 - Enable Baker Places/PRC to complete and implement **financial and business plan**
 - Preserve over **250 staff positions** at Baker Places and PRC

Accountability

- City will retain an independent consultant to evaluate each organization's financial condition including the reasons for Baker Places/PRC's financial deficit and identify all steps necessary to support Baker Places/PRC's long-term financial stability
 - Includes submission to the City of unaudited balance sheets and related statements of income and cash flows for Fiscal Years 2017-18 through 2020-21
- In consultation with DPH and independent consultant, Baker Places/PRC will use this analysis to develop a financial sustainability plan addressing:
 - long-term operating and financial sustainability planning at both agencies
 - mutually agreed upon development milestones
 - review of scenarios regarding the agency's long-term relationship with the City.
- Grants are deliverable-based with payment due upon City acceptance of deliverables along the timeline agreed upon by all parties

Thank You

Any questions?